



09499
Q-35522 FORM 10-0

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

11/17
Q
92-2251

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED SEPTEMBER 30, 1991

COMMISSION FILE NUMBER 0-3132

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)
Exact name of Registrant as specified in its charter

CALIFORNIA
(State or other jurisdiction of
incorporation or organization)

94-1612110
(Internal Revenue Service Employer
Identification Number)

POST OFFICE BOX 5615
FRESNO, CALIFORNIA 93755-5615
Address of principal executive offices

(209) 434-2800
Registrant's telephone number

PROCESSED BY

APR 13 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

L30

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

COMMON STOCK, \$.10 PAR VALUE

5,303,850
Number of shares of common stock
outstanding September 30, 1991

BEST COPY
AVAILABLE

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

PART I: Financial Information

ITEM 1 - Financial statements

ITEM 2 - Management's discussion and analysis of financial
condition and results of operations

PART II: Other Information

ITEM 1 - Submission of matters to a vote of security holders

PART I

ITEM 1 - Financial statements

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

BALANCE SHEET

(UNAUDITED)

	September 30,	
	1991	1990
ASSETS		
CURRENT ASSETS:		
Certificate of Deposit	\$ 70,000	\$ 0
Accounts receivable	3,250	0
Inventory	5,250	9,108
Prepaid expenses	0	31,439
Notes receivable	254,000	315,500
Notes receivable - Common Stock Subscribed	450,000	0
Deposit	25,000	0
TOTAL CURRENT ASSETS	807,500	356,047
PROPERTY AND EQUIPMENT - AT COST:		
Land - unimproved	0	65,000
Land - improved	278,700	278,700
Building	601,326	638,504
Improvements	54,757	27,274
Property and equipment (successful efforts methods of accounting)	153,143	120,721
	1,087,926	1,130,199
Less: Accumulated depreciation	(70,211)	(74,181)
TOTAL PROPERTY AND EQUIPMENT	1,017,715	1,056,018
INVESTMENT - AT COST	538,530	52,639
	\$2,363,745	\$1,464,704

See Notes to Financial Statements

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

BALANCE SHEET

(UNAUDITED)

(CONTINUED)

	<u>September 30,</u>	
	<u>1991</u>	<u>1990</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 207,492	\$ 9,246
Royalties Payable	17,236	0
Income Taxes Payable	8,111	0
Notes payable	69,500	175,000
Current portion of long-term debt	60,500	145,760
Lease deposits	2,838	2,838
Promissory note	<u>0</u>	<u>200,000</u>
TOTAL CURRENT LIABILITIES	365,677	532,844
LOANS FROM STOCKHOLDERS	79,933	59,177
LONG-TERM DEBT, NET OF CURRENT PORTION	<u>750,088</u>	<u>446,838</u>
TOTAL LIABILITIES	<u>1,195,698</u>	<u>1,038,859</u>
STOCKHOLDERS' EQUITY:		
Common stock, \$.10 par value; authorized 100,000,000 shares; issued and outstanding: 5,303,850 shares September 30, 1991; 2,000,000 shares pending transfer from transfer agent; 4,909,922 shares September 30, 1990	730,385	490,992
Common stock subscribed	450,000	0
Additional paid-in capital	1,947,374	1,452,926
Accumulated deficit	<u>(1,959,712)</u>	<u>(1,518,073)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>1,168,047</u>	<u>425,845</u>
	<u>\$2,363,745</u>	<u>\$1,464,704</u>

See Notes to Financial Statements

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED DEFICIT

(UNAUDITED)

	<u>Three Months Ended</u>	
	<u>September 30,</u>	
	<u>1991</u>	<u>1990</u>
REVENUE:		
Sales of crude oil and gas	\$ 11,908	\$ 22,195
Royalty income	548	3,685
Oil lease income	2,058	0
Rent - building	<u>2,298</u>	<u>7,479</u>
	<u>16,812</u>	<u>33,363</u>
COSTS AND EXPENSES:		
Cost of operations	3,214	4,532
Depreciation and depletion	9,154	10,070
Shared overhead charge	0	14,000
General and administrative expenses	48,919	54,415
Building expense	<u>11,150</u>	<u>4,900</u>
	<u>72,437</u>	<u>87,917</u>
Net loss	(55,625)	(54,554)
Accumulated deficit, beginning of period	<u>(1,904,087)</u>	<u>(1,463,519)</u>
Accumulated deficit, end of first quarter	<u>\$(1,959,712)</u>	<u>\$(1,518,073)</u>
PER SHARE DATA		
Net loss per share	<u>\$ (.00)</u>	<u>\$ (.01)</u>

See Notes to Financial Statements

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 1991

(UNAUDITED)

NOTE A - GENERAL

The unaudited financial statements of Pan American Energy Corporation for the quarter ended September 30, 1991 reflect all adjustments, which are of a normal recurring nature, which are, in the opinion of management, necessary for a fair statement of the results of operations for the period then ended.

NOTE B - NET ASSET ACQUISITION

The Corporation acquired, effective June 29, 1990, specified assets and liabilities of Supreme Investors, Inc. Supreme Investors, Inc. is an affiliate corporation with interrelated directors. The total cost of the acquisition was \$400,000 which exceeded the net assets of Supreme Investors, Inc. by \$45,700. The excess was allocated to building and land-improved, based on appraisal values and will be depreciated over the estimated remaining useful lives of the assets.

The purchased price for the specified assets and liabilities was four million (4,000,000) shares of Supreme Oil and Gas Corporation (name changed to Pan American Energy Corporation) common stock, valued for the transaction at \$.10 per share. The purchase price involved two million (2,000,000) shares of Supreme Oil and Gas Corporation stock issued to Supreme Investors, Inc. upon close of escrow (September 13, 1990), and a \$200,000 promissory note, due on or before August 31, 1991, convertible to two million (2,000,000) shares by the holder of the note. The effective date of the stock and promissory note was also June 29, 1990. The specified assets and related liabilities purchased included a commercial building with land, vacant land, half interest in an oil well, securities in other corporations and notes receivables.

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

PART I

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources:

The Corporation experienced lower oil revenues during the quarter ending September 30, 1991, due to lower world oil prices. The Kliewer oil well 82-29 acquired in June 1990 was put into service on September 21, 1990. The production operations of Kliewer 82-29 oil well have been idle since March, 1991 pending expansion of the pooled acreage and the completion of a well for disposal of produced water.

The Corporation had decreased expenses during this quarter because the Corporation closed its office in San Jose, California in June, 1991. This included the termination of one employee and reduced expenses such as rent, utilities and general office expense. The Corporation also closed its office in Fresno, California in July, 1991 and moved into the residence of the Corporation's President. The closing of the office included the termination of a manager and six employees plus the reduction of expenses such as rent, utilities and general office expenses.

Management plans on expending funds for the reduction of corporate debt, the purchase of oil properties and capital improvements in areas such as the development of a water disposal well for the Kliewer oil well. Capital will be obtained from notes receivable, short-term borrowing and the anticipated sale of corporate securities through Section 3a-11 of the Securities Act of 1933.

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Results of Operations:

The Corporation purchased an office building in Bakersfield, California in June, 1990. The building occupancy for this quarter ending September 30, 1991 was approximately 30%. The Corporation continued to make improvements to the building structure and the landscaping and painted the entire outside of the structure. The rental income decreased from the same quarter last year due to the agreements with individuals to exchange services for rent. The Corporation is having discussion with its lenders on the office building to restructure the debt.

The gross revenue has decreased substantially compared to the same quarter last year due to the decrease in oil prices, the rental exchange agreements described above and the idleness of the Kliever 82-29 oil well as illustrated below:

	Quarter Ended	
	September 30, 1991	September 30, 1990
	<u>1991</u>	<u>1990</u>
Sales of crude oil	\$ 11,908	\$ 22,199
Royalty income	548	3,685
Oil lease income	2,058	0
Rental income	<u>2,298</u>	<u>7,479</u>
Total revenue	<u>\$ 16,812</u>	<u>\$ 33,363</u>

- (1) The recovery of oil and gas declines at the rate of approximately three percent (3%) per year, due to the depletion of the oil and gas-bearing rock information.

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Results of Operations (Continued):

The following table sets forth pertinent information relating to the Corporation:

	Revenue and Operation Expense	
	Quarter Ended	
	<u>September 30, 1991</u>	
	<u>1991</u>	<u>1990</u>
Revenue	\$ 16,812	\$ 33,363
Less:		
Costs of operations	3,214	4,532
General and administrative expenses	48,919	54,415
Depreciation/depletion	9,154	10,070
Shared overhead	0	14,000
Building expense	<u>11,150</u>	<u>4,900</u>
Income/loss	<u>\$ (55,625)</u>	<u>\$ (54,554)</u>

The decreased costs of operations such as rework costs, vacuum truck fees and pumper fees are due mainly to the cessation of production operations of the Kliever 82-29 oil well. Building expenses such as janitorial and utilities increased due to the rental exchange agreements.

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

PART II

ITEM 1 - Submission of matters to a vote of security holders

No matters were submitted to a vote of the security holders during the quarter ending September 30, 1991.

PAN AMERICAN ENERGY CORPORATION
(FORMERLY SUPREME OIL AND GAS CORPORATION)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: _____

3/30/92

Wayne E. Crumpley, Jr. CEO & CFO
Wayne E. Crumpley, Jr.
Chief Financial Officer & CEO